

U.S. House of Representatives
Committee on Resources
Washington, DC 20515

June 20, 2006

The Honorable Arnold Schwarzenegger
Governor
State of California
State Capitol Building
Sacramento, CA 95814

Dear Governor Schwarzenegger:

As the House Committee on Resources prepares to consider the *Deep Ocean Energy Resources (DOER) Act* this week, I write to urge you to carefully consider its benefits for the great State of California, now and for the future.

As you know, dramatic economic growth in emerging countries such as China and India, and rapid expansion of the economy here at home, has placed unprecedented pressures on global energy markets. This in turn has driven demand to outpace supply growth and sent consumer prices through the roof. This is especially true for gasoline as well as natural gas - our cleanest fuel and the number-one generator of California's electricity.

These facts have correctly led Members of Congress, consumer advocate groups, and major American employers in the manufacturing and agricultural sectors to demand that Congress revamp our energy policies to provide the increased domestic supplies essential to lower prices.

One target for overhaul is America's Outer-Continental Shelf (OCS) energy policy. The OCS contains extraordinary energy resources, but they are locked-up by two production moratoriums, or bans. The U.S. is the only developed nation in the world to restrict access to its ocean energy resources in this fashion, and the confluence of pressures may soon make it the last. Economic forces have significantly weakened support for the moratoria in Washington, and many constituencies continue to work aggressively for their complete repeal.

Should these efforts be successful, California and other coastal states will have no authority to prevent or control off-shore energy production beyond three (3) miles from their shores, where State waters end and Federal waters begin. And because neither the executive moratorium nor the annual Congressional appropriation ban have the force of permanent law, they stand as but a thread-thin promise from Washington and within striking distance of disappearing.

In fact, the Congressional moratorium narrowly escaped (by only 14 votes) complete repeal in the House of Representatives last month. The executive ban can be repealed by the President at any time, without so-much as a vote in Congress. If prices continue to skyrocket - either steadily as demand continues to outstrip supply or instantly if supply disruptions in an unstable world shock markets - Congress will not be able to sustain its ban under the threat of economic and national security perils.

This is precisely why I have worked closely with Governor Jeb Bush of Florida and a bipartisan coalition of Members of Congress, including Representatives John Peterson (R-PA), Neil Abercrombie (D-HI), Charlie Melancon (D-LA), Bobby Jindal (R-LA) and others in recent months to craft the *DOER Act*.

This legislation will ease the pressures associated with the one-size-fits-all nature of the current OCS framework by giving the States complete and permanent authority over the first 100 miles of their ocean resources for the first time ever.

It will balance the interests of states such as California and Florida, which seek to continue production bans, with those of states which seek the moratoria's complete repeal. Putting the oversight power in California's hands permanently - with the legal force of permanent law - must be done now.

The successful passage of this legislation will eliminate the constant anxiety associated with coastal states' reliance on the whims of Washington by granting each the security of self-determination. And, because the extreme depths of the Pacific Ocean make energy production a technological impossibility beyond 100 miles, my plan will secure for California a de-facto, outright, blanket ban out to the far reaches of federal waters.

The efforts of those who seek to do away with the moratoria are understandable. Imminent energy crises have placed our economy and American family-wage jobs at great risk, while one of the keys to easing this burden - America's massive ocean energy resources - remain locked away under government regulation.

While I applaud your efforts to pursue a new energy future for California, energy experts agree that no matter how aggressive our efforts to pursue alternatives become, the short to medium-term needs of our nation will require increasing amounts of conventional resources, lest the nation risk an energy shortage-based economic recession or worse. The commonsense, flexible framework established by the *DOER Act* will enable the country to fulfill this need and afford California unprecedented protection powers at the same time.

Make no mistake, Governor. It is not a question of *if* the moratoria will disappear; it is a question of *when*. As such, I urge you to support the *DOER Act*'s proactive and forward-thinking goal of securing California's complete authority over its coastal resources. Settling for the one-size-fits-all status quo in OCS energy policy is an all-or-

nothing gamble that defers our fate to Washington and hopes for the best. Californians demand and deserve stronger leadership than that.

Thank you for your attention to this pressing concern. I look forward to discussing this policy in more details with you in the near future.

Sincerely,

A handwritten signature in black ink, reading "Richard W. Pombo". The signature is written in a cursive, flowing style with a large initial 'R'.

RICHARD. W. POMBO
Chairman, Committee on Resources